

The Living Income Community of Practice

 Federal Ministry
for Economic Cooperation
and Development

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

 **iseal**



Living Income Workshop 15/16 June 2022

Can we start to build a shared understanding of good practices when communicating about action on living income?

16 June 2022

14:00-16:30 BST (UTC +1)

 Federal Ministry
for Economic Cooperation
and Development

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

 **iseal**



Session Guidelines

SIMULTANEOUS TRANSLATION

- Simultaneous translation is available for the plenary session
- On the toolbar, click on Interpretation and select your preferred language
- The languages available for interpretation are Spanish and French.
- For those that do not need the interpretation please select off

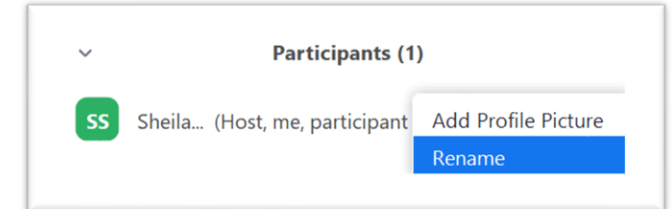


RECORDING

- The main session is being recorded and will be shared with all members on the Living Income platform
- Break outs are not being recorded

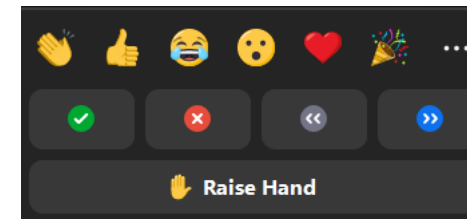
INTRODUCE YOURSELF

- Edit your name and add your organisation in brackets; e.g., [Sheila \(ISEAL\)](#)
- To do this, simply click on the “Participant button”
- Next, click on “Rename” next to your name in the Participant list



HOW CAN I ASK A QUESTION/COMMENT?

- **Raise your virtual hand** (look for this at the bottom of the Participant list) and organisers will call on you and you can unmute yourself
- Or pop the question in the **chat box**
- Please keep yourself muted when not speaking



TECHNICAL DIFFICULTIES?

Reach out to carla@isealalliance.org in the chat box or write an email to livingincome@isealalliance.org

LICOP workshop facilitators



Simon J. Gmeiner
Policy Advisor
**Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ)**



Rita Mendez
Senior Coordinator,
Impacts
ISEAL Alliance



**Stephanie
Daniels**
Senior Program
Director
Sustainable Food Lab



Kaitlin Sampson
Program Manager
Sustainable Food Lab



Sheila Senathirajah
Senior Manager,
Innovations
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Carla Rodriguez
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Christina Archer
Strategic Advisor,
Livelihoods
Sustainable Food Lab



Kristin Komives
Director, Impacts
ISEAL Alliance



Kealy Sloan
Program
Manager
Agriculture &
Development
Sustainable Food Lab

Anti Trust Statement

As participants in this group, we need to be mindful of constraints of antitrust laws. During both the formal and informal parts of this meeting, participants shall not enter into discussions, agreements or concerted action that may have as their object or effect the restriction of competition. This prohibition covers the exchange of competitively sensitive information including, but not limited to, information concerning individual prices, production, sales, capacities, costs, rates, coverages, market practices, claims settlement practices, company level investments, or any other competitive aspect of an individual company's operation.

Each participant is obliged to speak up immediately for the purpose of preventing any discussion falling outside these bounds.

Thank you!

2 Day Workshop Overview

June 15th 2022

2-4.30pm BST

Day #1

What drives improvement in farmer income and who can lead and influence these drivers?

- ☐ (10m) Intro
- ☐ (60m) Plenary: Income Drivers & Effective LI programmes
- ☐ (10m) Networking
- ☐ (55m) Discussion groups: Pillars for an effective LI programme

June 16th 2021

2-4.30pm BST

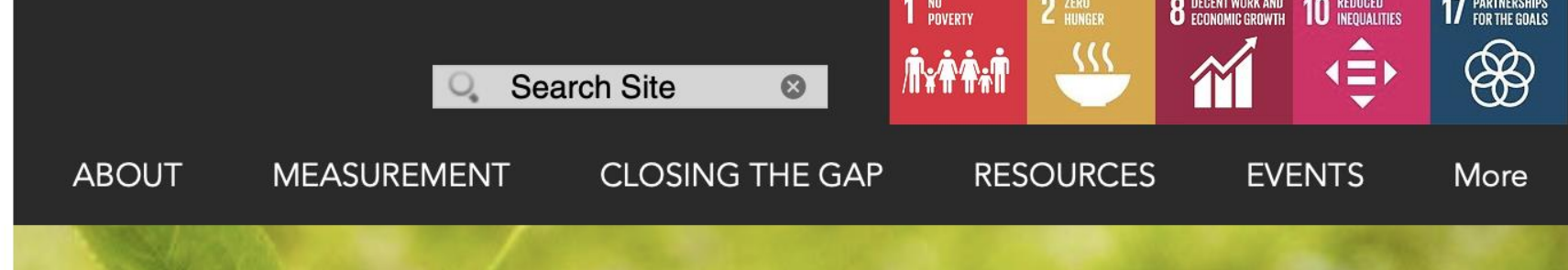
DAY #2

Can we start to build a shared understanding of good practices when communicating about action on living income?

- ☐ (10m) Introduction
- ☐ (60m) Plenary: Living income reporting (trends, systems, frameworks)
- ☐ (10m) Reflections
- ☐ (55m) Discussion groups: Translating commitment to action

The Living Income Community of Practice

Living Income Community of Practice (LICOP) is an alliance of partners dedicated to the vision of thriving, economically stable, rural communities linked to global food and agricultural supply chains.



2015-17

Formalization of LICOP by founding partners



2017

Strengthening LICOP as a neutral, multi-sector, multi-actor platform



(20 organizations)

Advisory Board (AB)



Technical committee (TAC)



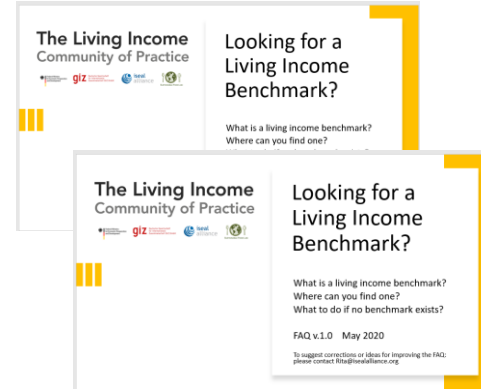
2017- now

Growing the LICOP Global community



Country	Count	Percentage
United States	208	17.8
Netherlands	159	13.4
Germany	151	13.0
United Kingdom	108	9.3
Switzerland	88	7.5
India	34	2.9
Ghana	30	2.6
Colombia	26	2.2
Kenya	22	1.9
Singapore	22	1.9

Supporting the movement of Living Income



GLOBAL
LIVING WAGE
COALITION

ALIGN

From Living Wage to Living Income

- Creating space for LI discussion

2015

Development of Living income concept

- Providing clarity on the core elements of Living income

2017

Development of Foundational Guidances

- Benchmarks
- Measurement
- Strategies to close income gap

2018-2019

Sustaining Momentum

- Supporting action
- Strategic partnerships
- Building Alignment with existing Initiatives

2020-2022

Scaling LI Pathway

- Strengthen digital backbone for LI
- Strategy support
- Strengthen position as Focal point on LI

2022- beyond

Recap topics were covered in Day 1?

Duration	Session
60m	<p>Panel discussion: Understanding the drivers of living income and roles of different actors</p> <ul style="list-style-type: none">• Income Drivers: What do we know of the income drivers and how they work?• Effective Company programs: A review of the principles of a credible industry program and what has been learned in the cocoa sector.
55m	<p>Discussion groups: Critical pillars necessary for an effective living income program</p> <ol style="list-style-type: none">1. Elements of an effective living income programme2. Regenerative Agriculture & Living Income3. Is there a professional farmer organization that can aggregate and provide services to farmers, and advocate and negotiate on their behalf?

Panel discussion Highlights

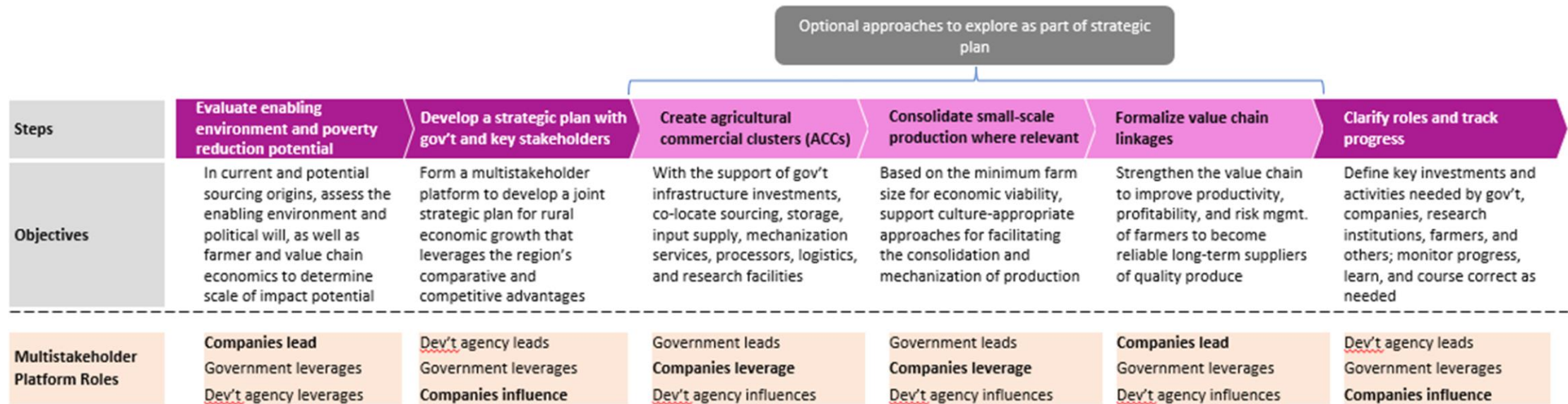
Understanding the drivers of living income and roles of different actors



Panel discussion Highlights

Understanding the drivers of living income and roles of different actors

Based on lessons learned from countries on solid growth trajectories, there are key areas where companies can lead, leverage, or influence aspects of ag transformation



Panel discussion Highlights

Understanding the drivers of living income and roles of different actors 

Principles

Companies:

- Ensure living income strategies benefit the most vulnerable farmers. Most farmers fall below the poverty line and companies use this as an excuse not to support them. But we feel that if they are moved above the poverty line even if they don't achieve a living income, they will be happy.

Government:

- Enable strong government and sector-level action on living income: the government sharing information on the discounted Country premium.

Discussion Topics

Critical pillars necessary for an effective living income program

Elements of an effective living income programme

VOICE Network is launching a Living income Compendium to guide action and critical elements to include in a successful living income initiative.

Regenerative Ag & Living Income

Rabobank & Solidaridad on their work to consider the need for farmers to transition to regenerative practices and adapt to climate change.

Roles of Professional Producer Organizations in Living income

SCOPEinsight and Rikolto on exploring the role of professionalized farmer organisations in providing services and consistent markets for farmers, and their critical role in both improving and sustaining higher farmer incomes.

Agenda- Day 2

TIME (BST/GMT +1)	Duration	Session
2:05 - 2:15pm	10m	Recap highlights from Day 1 LICOP Workshop
2:15 – 3:15pm	60m	Panel discussion: Building a shared understanding of good practices when communicating on action: <ul style="list-style-type: none">• Trends on impact reporting• Systems for verifying action and assessing relevance to delivering improvements• How multistakeholder platforms address collective commitments and progress reporting• Key indicators of success for living income
3:15 – 3:25pm	10m	Reflections
3:25 – 4:20pm	55m	Discussion groups: Critical pillars necessary for an effective living income program <ol style="list-style-type: none">1. Role of Cash Incentives in a Living Income program2. Transparency systems to Enable living income programs3. Data Governance & Ownership
4:20 – 4:30pm	10m	Close

Panel Discussion (60m)

Building a shared understanding of good practices when communicating on action

LICOP Moderator



Sheila Senathirajah
Senior Manager, Innovations
ISEAL Alliance

Plenary Speakers



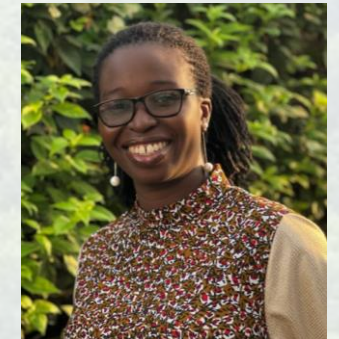
Stina Nilsson
Director, Stewardship
Sustainalytics



Caroline Rees
President & Co-Founder,
SHIFT



Christian Robin,
Executive Director,
Swiss Platform
for Sustainable Cocoa



Tawiah Agyarko-Kwarteng,
Technical Manager
Cote d'Ivoire-Ghana Cocoa
Initiative

Panel Discussion

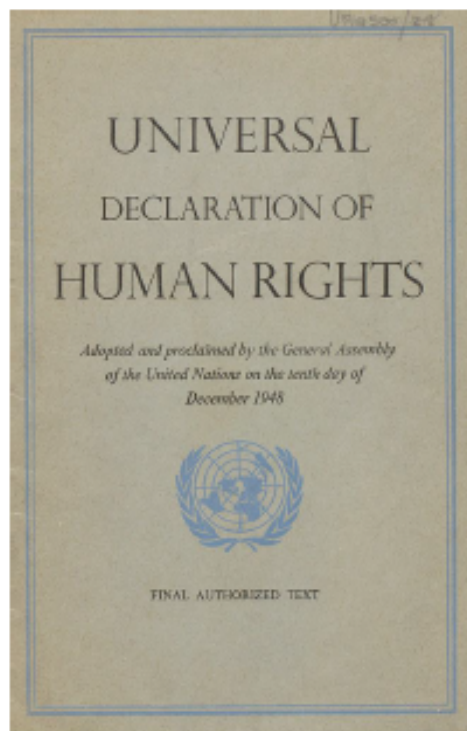
Trends on impact reporting



Stina Nilsson
Director, Stewardship
Sustainalytics

What's the expectation for companies to further improve credibility in living income-related disclosure? From policy and process to impact reporting.

Why investor interest in sustainability and living income?



resilience

noun [U]

the ability of a substance to return to its usual shape after being bent, stretched, or pressed:

Press release | 23 February 2022 | Brussels

Just and sustainable economy: Commission lays down rules for companies to respect human rights and environment in global value chains

Global group of investors endorses IDH's living income and living wage roadmaps

9 Mar 2022

twitter facebook linkedin

- Growing interest from investors to understand ESG impacts
- More interest into supply chain risks.
- Social issues picking up.

During a webinar hosted by IDH on Living Income, a large group of investors from around the globe, with an AUM of 6.3 trillion Euro, has issued an endorsement of IDH's living income and living wage roadmaps. This statement was coordinated by Sustainalytics. The endorsement calls on companies to develop a roadmap on living income and living wages. To read the letter of endorsement and find out the investors involved, click [here](#).

Check out this [blog](#) from Stina Nilsson, Sustainalytic to learn more.

Endorsement by 45 investors, with 6.3 trillion EUR in AUM



What do we see - examples from cocoa

Disclosure of living income commitment

- Tony's Chocolonely: enabling all cocoa farmers that supply to Tony's in Ghana and Côte d'Ivoire to earn a living income, preferably no later than 2025, and support other chocolate brands to adapt Tony's open chain sourcing principles.

- Olam Cocoa: cocoa compass with living income targets for 150,000 farmers.

Disclosure of strategy and actions

Diversified long-term incomes and increased resilience of farming households

6,242

farmers with additional income-generating activities through Program since start of the Program

16,964

farmers trained in additional income-generating activities since start of the Program

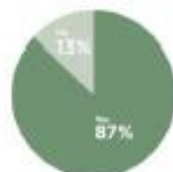
1,567

community members participating in a total of 67 village savings and loan groups (VSLA) or equivalent (43% women)



- Over **163,700** community members participate in Village Savings & Loan Associations, of which 69% are women;
- Completed over **300,000** trainings, reaching farmers and community members with Good Agricultural and Environmental Practices;

Farmers who attended training in the past 12 months



Disclosure of outcome and impact

Poverty is high among surveyed farmers, especially among female-headed households, and most farmers do not earn a **living income**. Net annual income from cocoa varies considerably between household categories and averages USD 1,731 for typical male-headed households. This leads to a total annual household income of USD 2,503 for typical male-headed households. Farmers from old verified societies have a smaller gap to the **Living Income benchmark** than farmers from new verified societies (38% gap versus 44% gap).

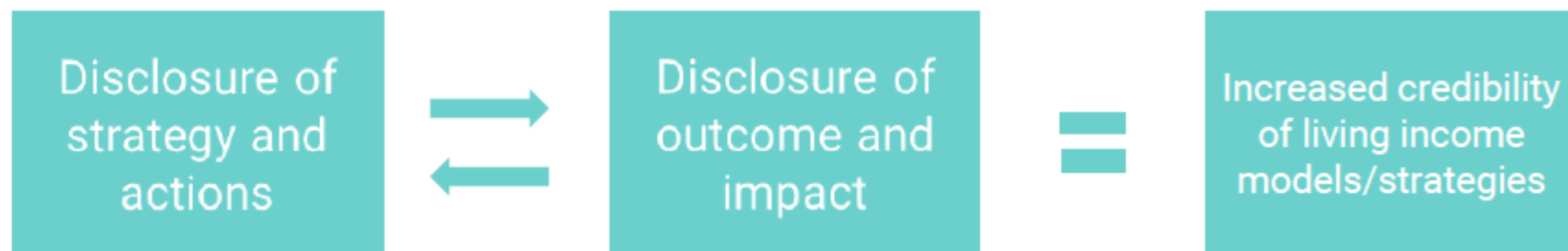
- **Net incomes increased** between **+15%** in Ghana and **+33%** in Côte d'Ivoire vs. 2019 and a **+11%** relative increase of Cocoa Life households in West Africa earning a living income in 2021 vs. 2019 despite the pandemic and inflation. Increased incomes are driven by premiums and higher prices (including the Living Income Differential), as well as productivity;

Average farming household income gap*

*based on IFT 2019 benchmarks



Next generation of living income impact reporting?



- » Per sourcing high risk/impact origin, disclose, for as much of company farmer bases as possible:
 - » a **farmer/producer income baseline**, including income levels in farmer segments;
 - » subsequently report **annual income developments/origin**;
 - » **comparison** of the above **to** most recent **living income benchmark**.
- » Reflections on **how results inform strategy and action**, and what can be reasonably expected from farmer or sustainability programmes, in terms of farmer income related impacts, going forward.
- » Strategy and action in the **context of market price fluctuations and other external factors** (such as increased prices on food and fertilizers).

Panel Discussion

What is a credible system for verifying action and assessing relevance to delivering improvements?



Caroline Rees
President & Co-Founder,
SHIFT

Learnings and good practices emerging from LW work Living wage reporting standard.



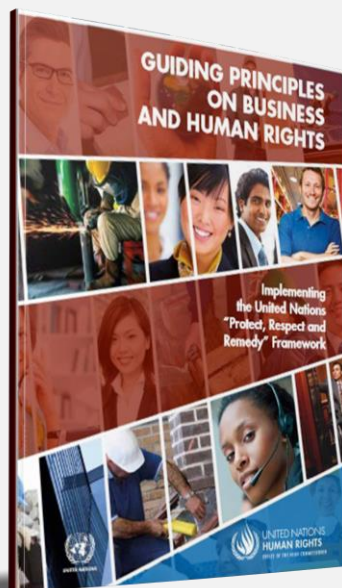
Shift



CAPITALS
COALITION

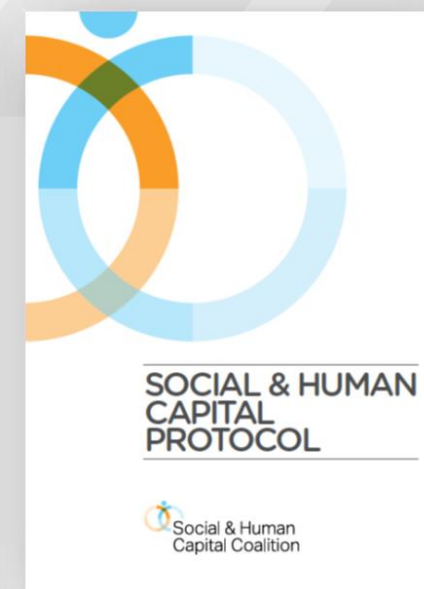
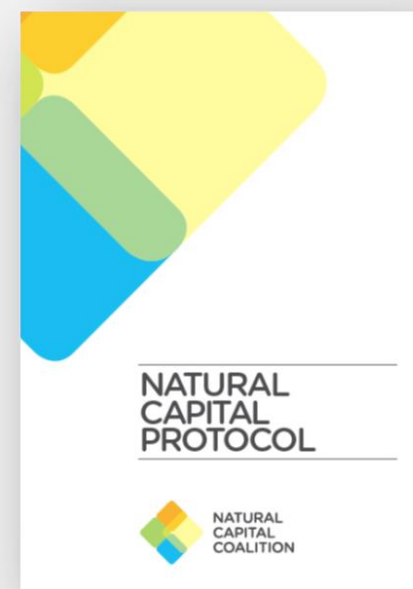
Accounting for Living Wages

A model for companies to report publicly on progress towards living wages



Shift

Working with companies, financial institutions and standard-setters to build a world where business gets done with respect for people's dignity.



Capitals Coalition

A global collaboration to get the value provided by nature and people into decision making in business, finance and government.



WHAT?

A **simple, standardized** model
for companies to
account for and **report** on
progress towards
living wages
in their **workforce**
and **first tier supply chain**



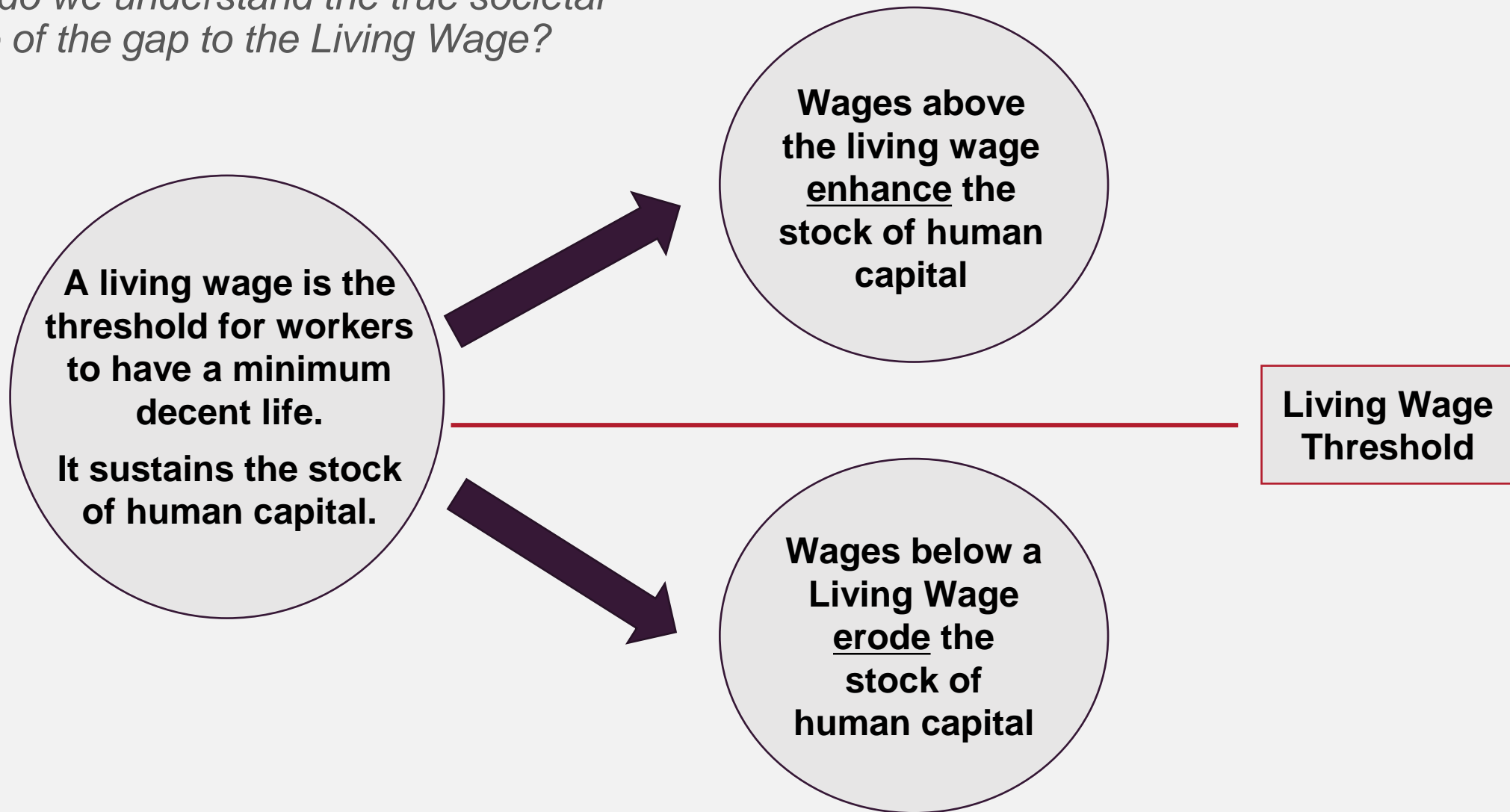
WHY?

To scale up **positive incentives** for
more companies to
take action on living wages,
reduce the externalization of costs
onto workers
and **help reduce inequalities**



Value to Society

How do we understand the true societal value of the gap to the Living Wage?



THE METRICS / DISCLOSURES

Living Wage Threshold

Total number of workers
x
Living Wage for their location

Living Wage Deficit

1. #: No. of workers below a living wage
2. %: Proportion of workers below a living wage
3. \$: No. of workers below a living wage
x
\$ gap to the living wage
4. Living Wage Deficit in \$ as a proportion of the Living Wage Threshold

Human Capital Erosion

1. In physical units:
$$\frac{\text{Living Wage Deficit}}{\text{Utility of Income Factor (eg Health Utility of Income)}}$$
2. In monetary units:
$$\frac{\text{Erosion of HC in physical units (eg disability adjusted life years - DALYs)}}{\text{Value of the welfare component (eg. USD/DALY)}}$$



GOVERNANCE

- Oversight of commitment / strategy
- Review of business model
- Approval of target

STRATEGY

- **Existence of commitment / policy**
- **Workforce composition**
- **Collective bargaining coverage**
- **Key pay ratios**

FULL SET OF
DISCLOSURES

(TCFD / ISSB
structure)

RISK MANAGEMENT

- Feedback mechanisms to spot risk
- Highest risk locations for workforce and tier 1
- Severe risks in deeper value chain
- Measures taken to mitigate risk

TARGETS AND METRICS

- Living wage threshold
- Living wage deficit
- Human capital erosion

Project pilot
Disclosures



Panel Discussion

How are multistakeholder platforms addressing collective commitments and progress indicators for these?



Christian Robin,
Executive Director,
Swiss Platform
for **Sustainable Cocoa**

Sharing SWISSCO perspective on the needs and the challenges of reporting on the topic of living income.



Swiss Platform for
Sustainable Cocoa



Swiss Platform for Sustainable Cocoa – SWISSCO

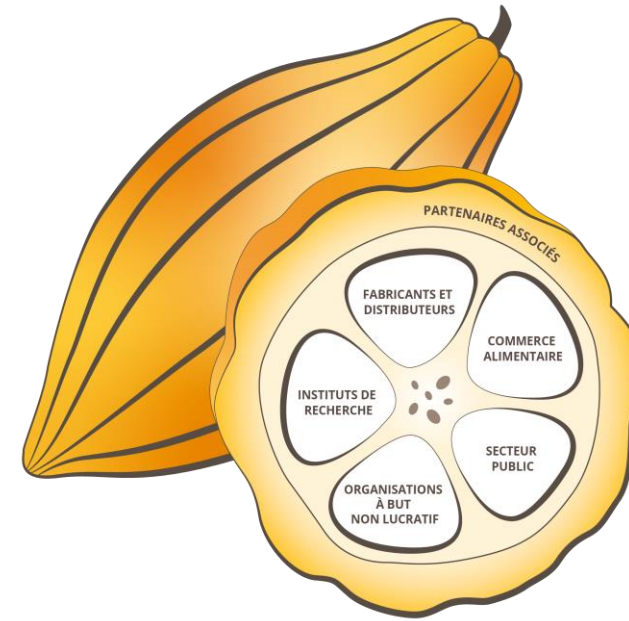
Living Income Workshop
15/16 June 2022

Christian Robin
Executive Director

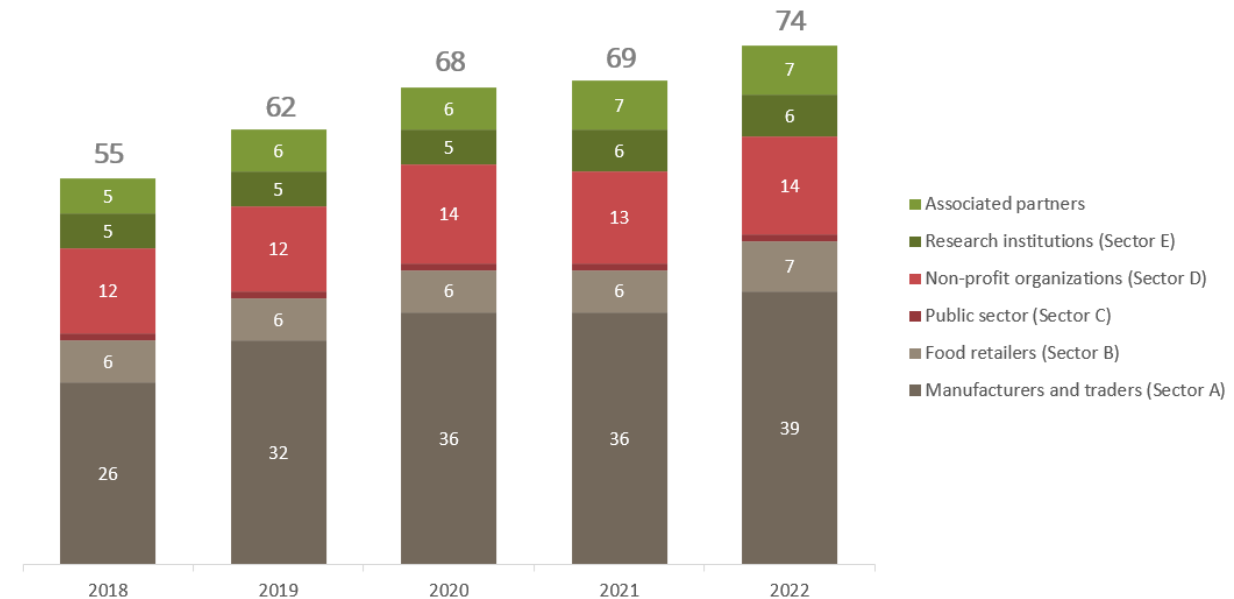


Swiss Platform for Sustainable Cocoa

- **Multi-stakeholder initiative created in 2017**
– chocolate companies, importers and traders of cocoa products, retailers, NGOs, research institutes, and the Swiss Confederation (SECO).
- **74 members** have so far joined forces to foster sustainability along the cocoa value chain. Today, all relevant supply chain partners and stakeholders from NGO, research and the public sector are part of this initiative based on the concept of shared responsibility.



Members of the Swiss Platform for Sustainable Cocoa



SWISSCO Roadmap 2030 «Tackling Challenges Together»

Endorsed at our last AGM (September 2021), the Roadmap defines four key target areas:

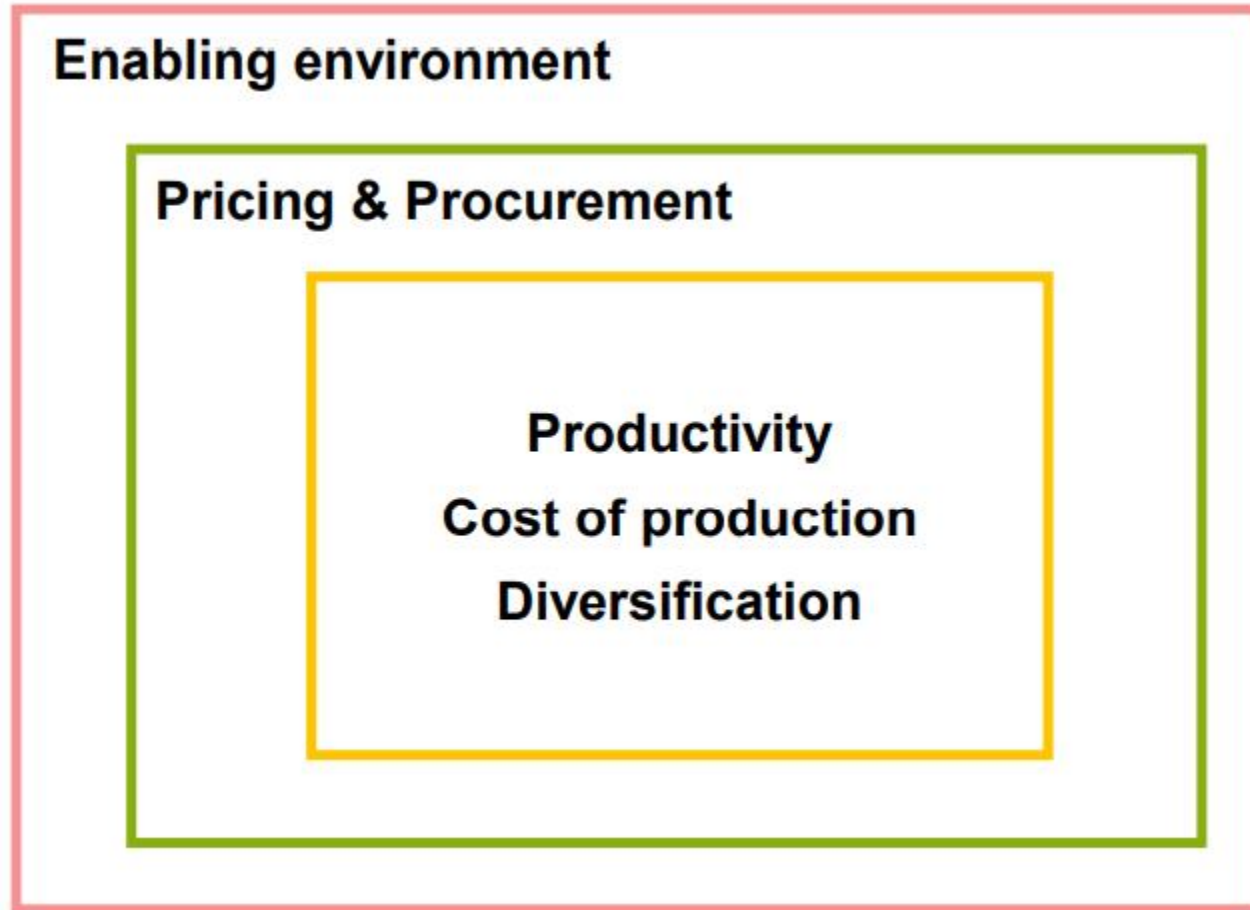
- 1) **Enabling a living income for cocoa families**
- 2) Deforestation-free and **climate-friendly** cocoa supply chain
- 3) Tackling **child labour** and improving the perspectives of **young people**
- 4) Enhancing **transparency** and **traceability**

And Innovation and Gender Equality as key transversal themes

Specific impact on Sustainable Development Goals (goals and targets)



Living income requires a holistic and ambitious agenda



Productivity increase is key, but oversupply is a key risk (lowering prices)

Lowering overdependence on cocoa by an enhanced **diversification** of income

Enabling environment by fostering sector governance, coordination and regulation

Source: Living Income Community of Practice

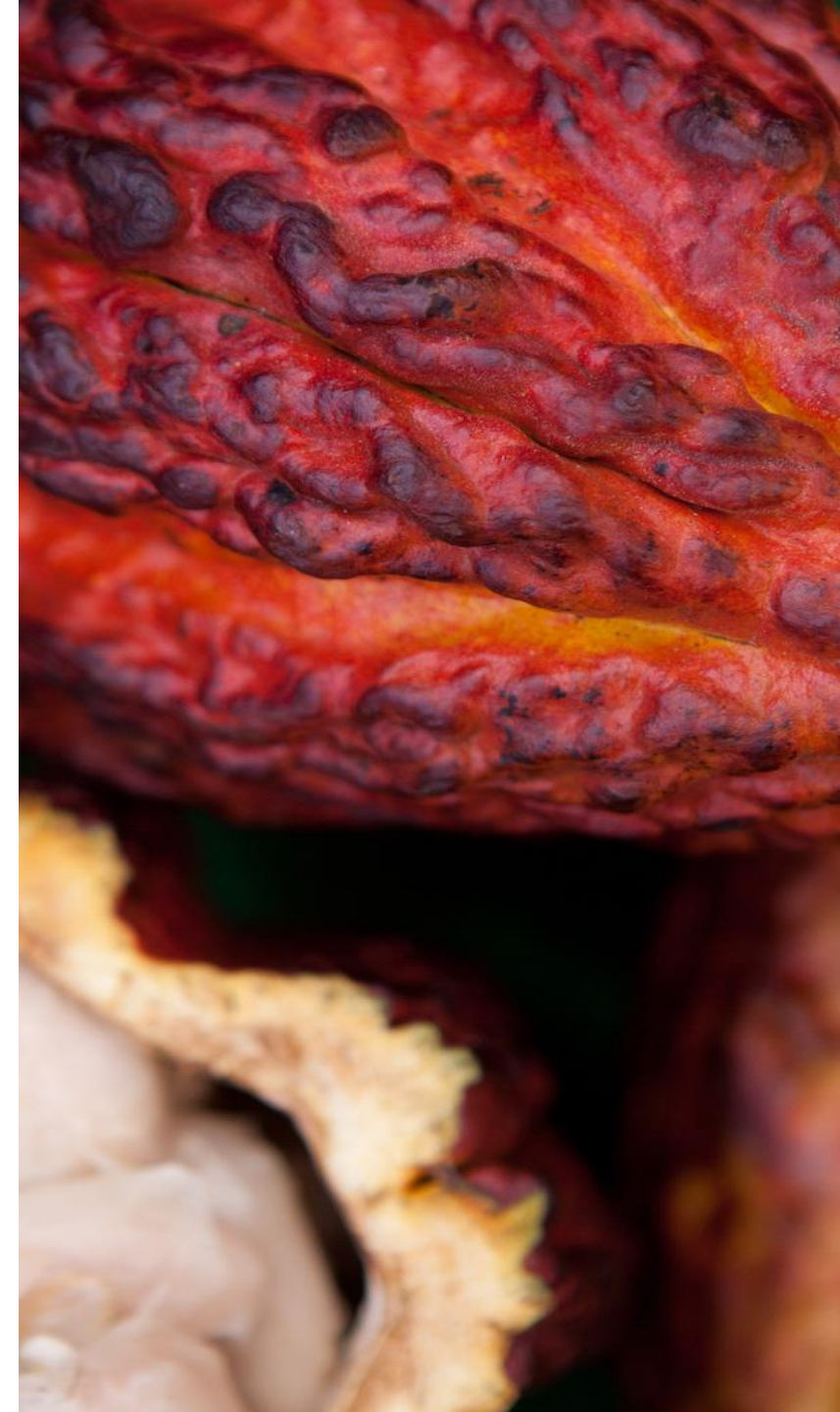
Our living income targets

- **All members are part of a holistic approach including all five determining factors:** price, increase of yields, reduction of production costs, income diversification and local governance.
- **Sustainability is not for free:** Supply chain partners reward farmers for their efforts to produce sustainable products.
- **Studying a complex topic:** SWISSCO seeks to capture the complexity of the topic by systematically measuring the household income of farmers and to identify the drivers of change.



Accountability and Monitoring

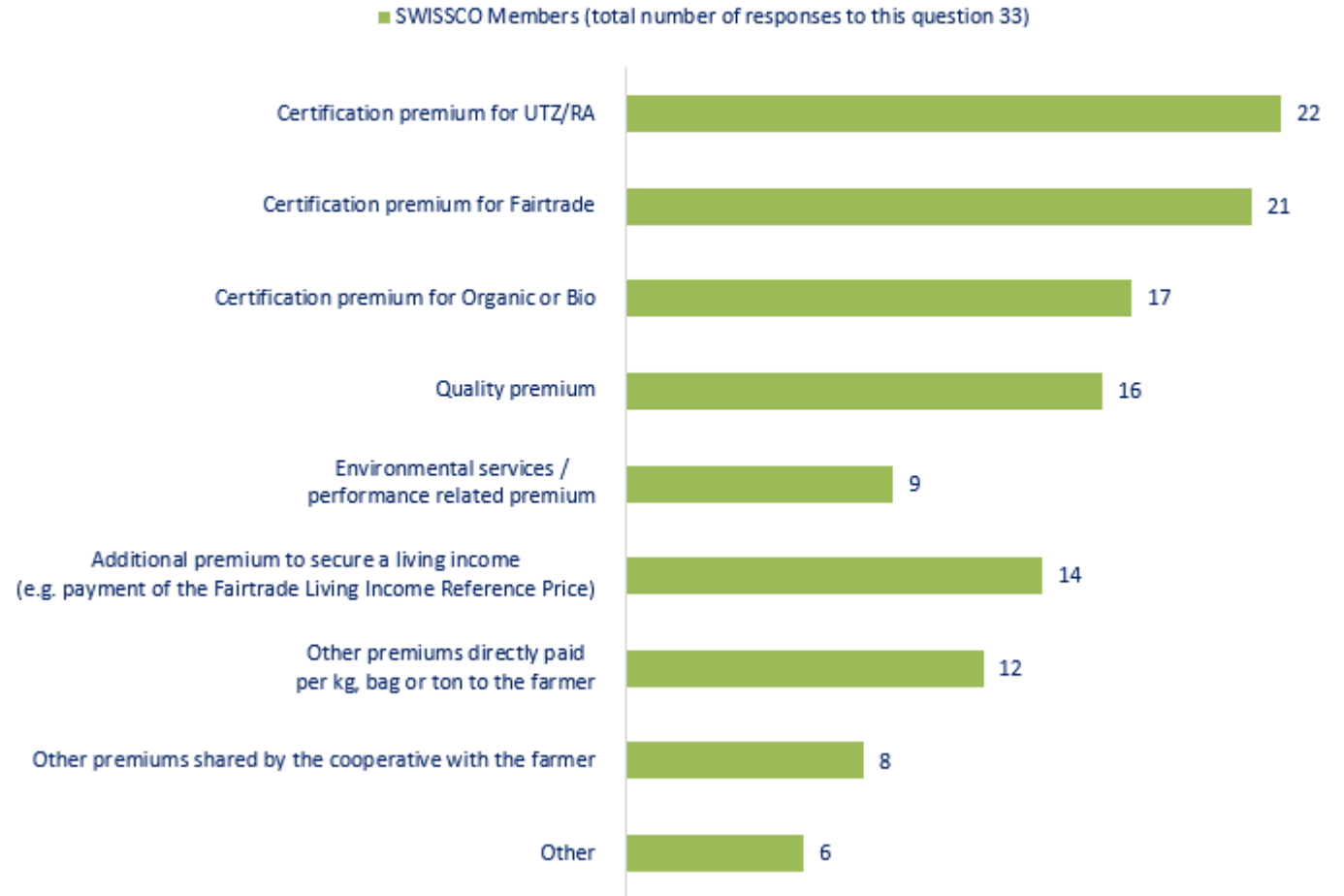
- **Member surveys:** 2022 (baseline, 2021 data), 2025 (midline) and 2030 (end line) – **mandatory for all members**
- **Joint impact assessments** to foster learning – **voluntary (as many members as possible)**
- **Annual sustainable sourcing statistics**, seeking to involve all imports (e.g. finished products) – **mandatory for importers (VSS as proxy)**
- **Annual project reporting based on MEL indicators:** Ambition to go beyond projects co-financed by SECO, involving further harmonization with CFI, WCF and ISCOs – **voluntary**



Snapshot Baseline Report

- **90% response rate:** Great start, but 10% are missing.
- **Income diversification is high on the agenda**
 - 1) 87% Diversification of income;
 - 2) 83% Yield increase;
 - 3) 64% Price (more information on rewarding schemes see figure);
- **Many members like to learn together:** 39 members showed interest to engage in a joint impact assessment on household income
- Still limited disclose of sustainability investments and premiums

Type of reward granted to the farmers within SWISSCO members' sustainability programme in 2021



Conclusions

- **We are still far from a living income for cocoa farmers in West Africa:** Stretch targets are great, but we should be mindful of our claims (what can we deliver?)
- **Nudging is key, bring everybody on board:** For many members, the concept of living income is new and not easy to grasp.
- **Complexity of topics ask for joint learning:** Living income is an ideal topic for a joint study where everybody engages in the peer learning
- **But complexity hampers prescriptive approaches:** Smart mixes which are probably different according to the situation of the farmer and the country
- **More transparency on investments and premiums needed:** Financial investments matter, but we know little about them





Many Thanks!

www.kakaoplattform.ch



Panel Discussion

What are key indicators of success for living income?



Tawiah Agyarko-Kwarteng,
Technical Manager
Cote d'Ivoire-Ghana
Cocoa Initiative

What are the key indicators of success on living income that the CDGHCI is using? What would you like to see the industry report on.



COTE D'IVOIRE-GHANA COCOA INITIATIVE

**Living Income Workshop
June 16, 2022**

Our Strategic Vision

“To transform the current cocoa sector into a prosperous and sustainable one which places the farmer and his income at the centre.”

To implement this vision:

- **The price obtained by the producer is the key variable** on which the Initiative will work as a priority
- Builds on the LID with the view to **establishing a framework** for achieving decent farmer income and delivering sustainable cocoa
- Calls for a **new political momentum** sparking coordinated and unprecedented commitment from all stakeholders (Public and Private)
- Calls for a **joint effort and shared responsibilities** toward a prosperous sector

Reality Check

➤ Lack of transparency

- On sustainability investments
- On sourcing (in Côte d'Ivoire for example, 30-60% of cocoa remains indirectly sourced/origin unknown)

➤ Reactions to LID price mechanism

- Downward adjustments to the country differentials for Côte d'Ivoire and Ghana, largely eroding the effect of the \$400 LID.

➤ Commodity fundamentals are different from sustainability fundamentals

- The price of the product should reflect and be driven by the costs of production and not by futures markets.
- What is the true cost of sustainable cocoa?

➤ Sustainability programs reach 10-15% of farmers; what about the rest?

- Specific programs on living income cover even less

So, what does success on living income mean to us?

- **Greater levels of transparency**, on sourcing volumes, on financial investments
- **A level playing field** for all
- **Higher cocoa prices** that can translate into **higher farm gate prices** for all farmers
- Prices that offer **higher margins for farmers**, making cocoa a more **profitable business** for them
- **The true cost of sustainable cocoa** paid that **rewards farmer efforts**
- **Joint, scaled up efforts** that build momentum on other drivers of income

This means....changing the status quo

- To achieve success on living income, **we cannot continue with business as usual**
- Something must change and it begins with us, all of us, **taking action now**
- The governments of Côte d'Ivoire and Ghana envision the development, together with key stakeholders of the industry, of an “**Economic Pact for Sustainable Cocoa**”, with the ambition to enable living incomes for cocoa farmers and deliver truly sustainable cocoa on the long run.
- This will involve developing a **joint framework of action**, designing **innovative technical solutions** and building an **accountability mechanism for all** (which includes jointly identifying the right indicators to be reported on)

THANK YOU

Email: tawiah.a-kwarteng@cighci.org

Tel: +233 593847392

<https://www.cighci.org/>



**COTE D'IVOIRE-GHANA
COCOA INITIATIVE**

HAVE YOUR SAY!

- ❑ Click on the mentimeter link [shared in the chat]
- ❑ Share what were your main takeaways from the session

Reflections



Discussion Group (60m)

Translating Commitment to Action

Moderator



Simon J. Gmeiner
Policy Advisor
Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ)

Topics

How do we effectively translate commitment to action? In this segment we shall look at various initiatives and mechanisms for increasing visibility and scaling impact.

- Role of Cash Incentives in a Living Income program
- Transparency systems to Enable living income programs, Case of TRACE
- Data Governance & Ownership

Breakout Options

Group 1

Role of Cash Incentives in a Living Income program

Discussant

Darrell High
(Nestlé Cocoa Plan)



Oumou Diallo
(Royal Tropical Institute KIT)



(LICOP Facilitators: Christina, Stephanie)

Group 2

Transparency systems to Enable living income programs, Case of TRACE

Discussant

Cerianne Bury
(Trabocca Coffee)



Isa Miralles
(Fairfood / ALIGN platform)



Lauren Murphy
(ICRW)



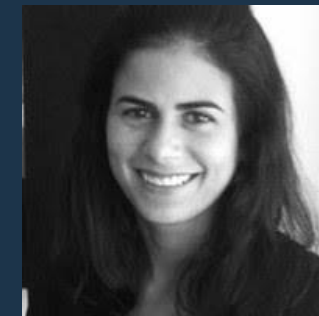
(LICOP Facilitators: Rita, Sheila)

Group 3

Data Governance & Ownership:

Discussant

Sylvia Calfat
(Committee on Sustainable Assessment (COSA))



Pavi Ram
(Tony's Chocolonely)



(LICOP Facilitators: Kaitlin, Kealy)

Easy Retro- Capture feedback

- Use the link provided in the Chat
- Easy retro will open in the browser
- Use the plus icon to type something under the text box
- You can upvote answers you agree with



Breakout 1: Elements of an effective living income programme

★ Prime Directive sheila@isealalliance.org

VOICE is launching a Living income Compendium to guide action and critical elements to include in a successful living income initiative.



Q Search

Sort by order ▾



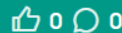
➦ Share

⚙ Settings

Key points raised

+

Urgent action needed



Outstanding questions

+

What has worked well ? What evidence is available?



Is this an area where LiCoP can support better?

+

Group 1: Role of Cash Incentives in a Living Income program




Darrell High,
Nestlé Cocoa Plan



Oumou Diallo,
Royal Tropical Institute
KIT

Delivering a holistic program for supporting farmers to improve their incomes and sustain those improvements over time must include multiple interventions and incentive mechanisms. The use of cash transfers (unconditional and conditional) have been used in social protection programs and have been proven to be effective tools in poverty alleviation.

A photograph of two young school children, a boy and a girl, standing on a dirt path in a rural setting. The boy on the left is wearing a light-colored shirt and pants, with a blue backpack. The girl on the right is wearing a white shirt and a dark blue skirt, with a red and black backpack. Both are smiling and waving their hands. The background is a blurred landscape with some trees and a building.

Income Accelerator Programme

16 June 2022

Income accelerator program: tackle the causes and accelerate change

INCENTIVIZE and SUPPORT

Conditional cash incentive for household (half for spouse) + training and services

CHILD PROTECTION



Education support, CLMRS

100 Euro

Kids 6-16 in school

GOOD AGRICULTURAL PRACTICES



Training, equipping,
subsidizing pruning groups

100 Euro

1 ha pruned

AGROFORESTRY



Forest and fruit trees

100 Euro

10 trees planted

DIVERSIFIED INCOMES



Training programs, VSLAs,
gender training

100 Euro

Enrolled div incomes

+100 Euro all four KPIs achieved

Accelerate change

Kids protection

Productivity

Gender Empowerment

Regenerative Agriculture

Diversification

Move towards living income



Income accelerator program: tackle the causes and accelerate change

INCENTIVIZE and SUPPORT

Conditional cash incentive for household (half for spouse) + training and services

CHILD NUTRITION	GOOD AGRICULTURAL PRACTICES	AGROFORESTRY	DIVERSIFIED INCOMES
Training, maternal, educational, parenting groups	Forest and fruit trees	Training programs, VSLA, gender training	
100 Euro Kids 6-10 in school	100 Euro 1 ha planted	100 Euro 10 trees planted	100 Euro Diversified incomes
+100 Euro all four KPIs achieved			

Accelerate change

Kids protection Productivity Gender Empowerment Regenerative Agriculture Diversification

Move towards living income

January 2022 Source: European Commission




Income accelerator program



Income accelerator program: tackle the causes and accelerate change

INCENTIVIZE and SUPPORT

Conditional cash incentive for household (half for spouse) + training and services

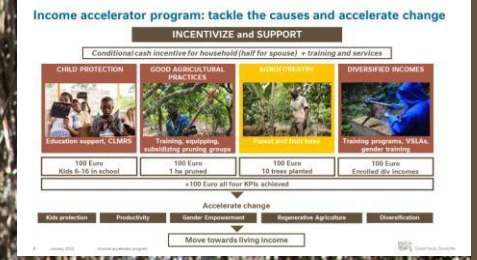
CHILD PROTECTION	AGROFORESTRY	AGROFORESTRY	DIVERSIFIED INCOMES
 Education support, CLICS	 Forest and fruit trees	 Forest and fruit trees	 Training programs, VILAs, business training
100 Euro Kids 5-18 in school	100 Euro 1 ha planted	100 Euro 10 trees planted	100 Euro Qualified off-farm income
+100 Euro all four KPIs achieved			

Accelerate change

Kids protection Productivity Gender Empowerment Regenerative Agriculture Diversification

Move towards living income

March 2021 December 2021 April 2022









Income accelerator program: tackle the causes and accelerate change

INCENTIVIZE and SUPPORT


Conditional cash incentive for household (half for spouse) + training and services

CHILD PROTECTION	GOOD AGRICULTURAL PRACTICES	AGROFORESTRY	WOMEN'S EMPOWERMENT
 Education beyond CLMIS	 Training, mentoring, calculating planting groups	 Trees and fruit trees	 Skills, knowledge, and planting groups
100 Euro Kids 6-10 in school	100 Euro 1 ha planted	100 Euro 10 trees planted	100 Euro Enrolled for training
+100 Euro all four KPIs achieved			

Accelerate change

Risk protection Productivity Gender Empowerment Regenerative Agriculture Diversification

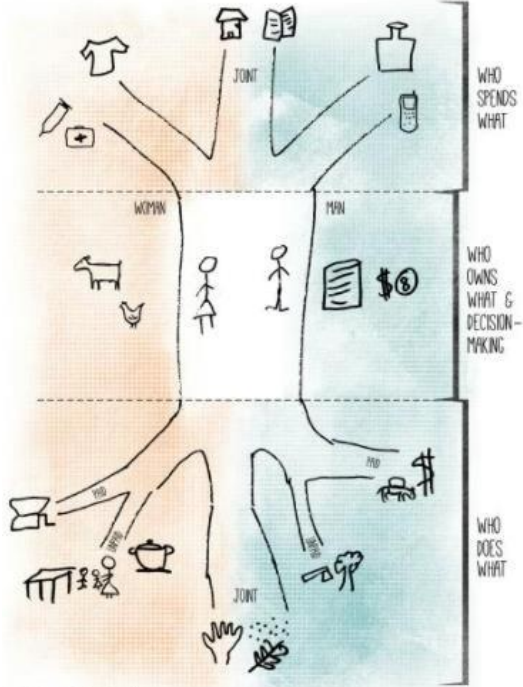
Move towards living income

January 2023 Income accelerator program  Counting Counts

Women and gender



GENDER BALANCE TREE



The implementation plan

PILOT

2020-2021

1 000 households
in Côte d'Ivoire

THE TEST

2022-2023

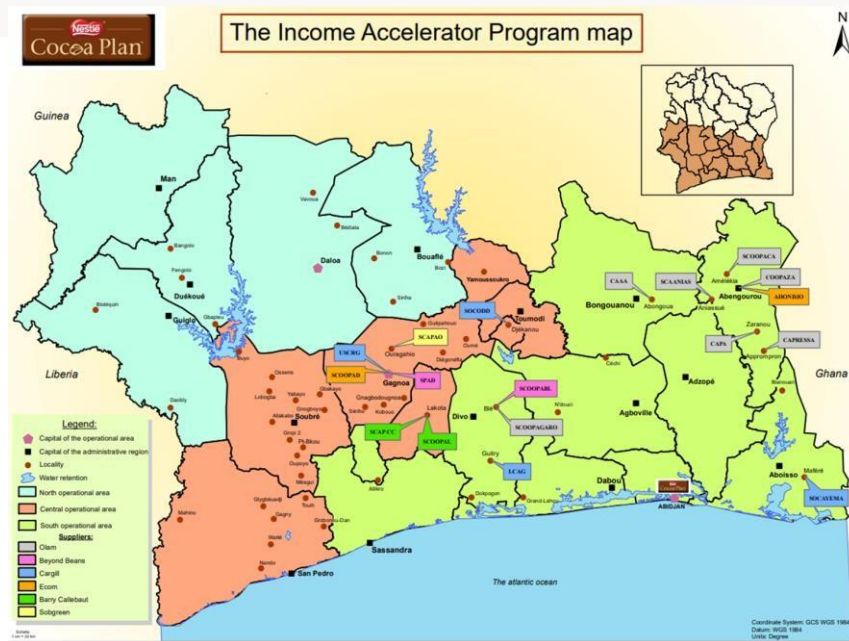
10 000 households
in Côte d'Ivoire

ASSESS

ROLL OUT

2024 - 2030

160 000 households
Global
(starting in Ghana)



FULL TRACEABILITY

2027

Thank you

The Role of Cash Incentives in a Living Income Programme

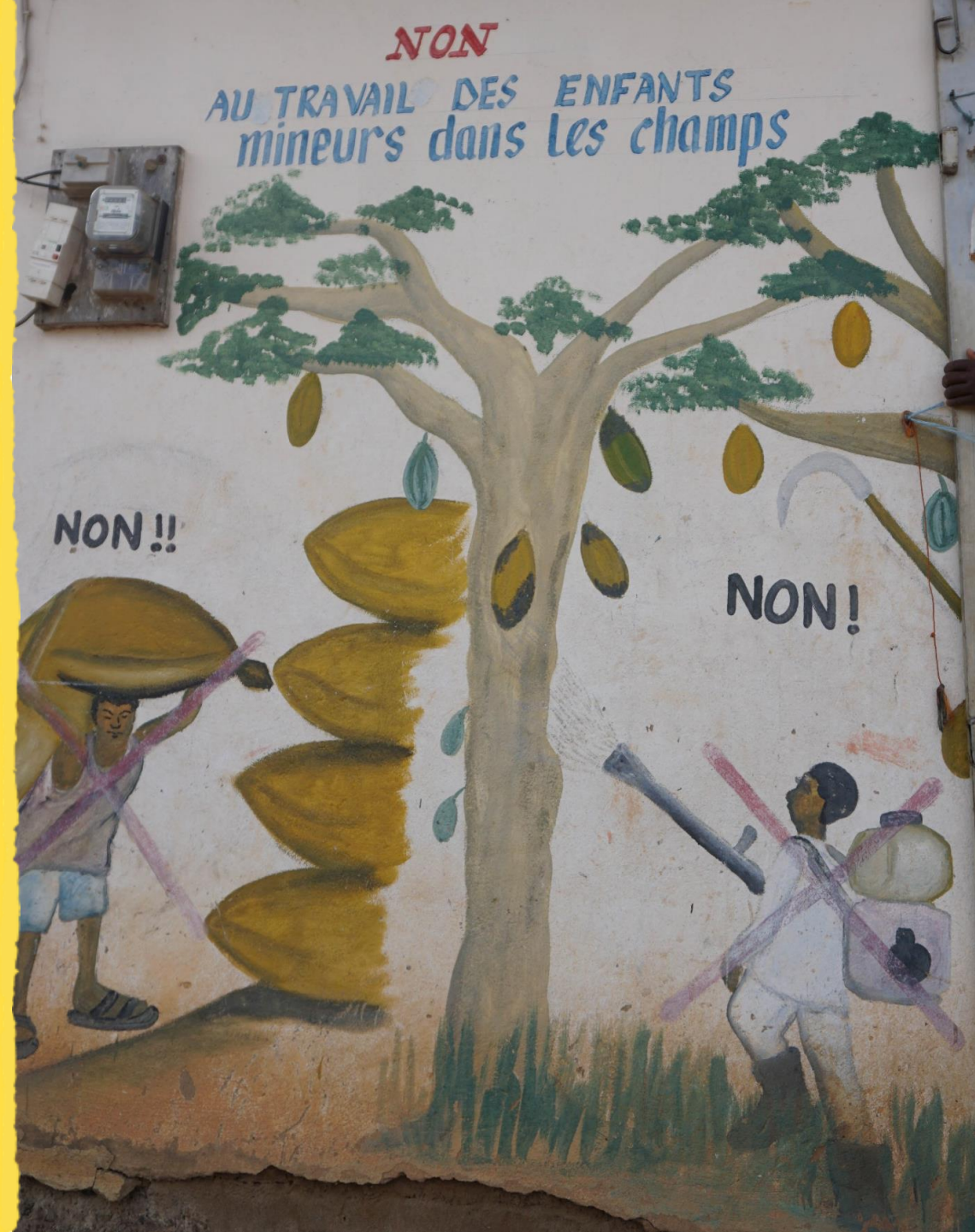
A snapshot of the Income Accelerator Programme

Oumou Diallo 16-06-2022

Virtual Living Income June 2022 Workshop



KIT Royal
Tropical
Institute



Key components of the IAP

Reducing Child Labour (prevalence and risk of) via two key components:

- Increasing awareness and supporting education
- Closing the LI gap (income is a key driver of CL) by increasing:
 - cocoa income via productivity
 - non-cocoa income by diversifying income sources and involved HH members
 - resilience to shocks

→ Inducing a behavioural change using conditional cash-transfers



Conditionality of transfers

Each incentive is tied to a specific activity

- Useful when households and key decisions makers don't have a full understanding of the benefits of the proposed services
- Successfully inducing (sustainable) **behavioural change** requires:
 - Timely payment of the incentive
 - Frequent communication about programme's components and activities
- Requires a rigorous MEL framework to track changes for attribution to the intervention or adapt the implementation



Monitoring, Evaluation & Learning Strategy

A mixed-method approach

- Quarterly **monitoring** of outputs: activities, performance, incentive payment (suppliers' data); appreciation of the programme's components (phone surveys)
- Annual (impact) **evaluation** at outcome and goals level using:
 - KIT-led quantitative household survey to collect data on the main KPIs identified in the ToC
 - Robust econometric analysis with a (matched) difference-in-difference strategy, retracing a panel of 1000 farming households
- Qualitative interviews with cooperatives (and members) and relevant stakeholders to **triangulate** information, improve **learning** and **share findings**





NON!

Research Questions

Some examples

- What drives households' participation in the programme (and per incentive)?
- Is the cash amount transferred sufficient to incentivise behavioural change?
- How are a (Living) income and child labour correlated?
- Are the cash incentives creating favourable conditions to reduce the LI gap / reach a LI, and does it affect child labour risks?



Analysis

Key indicators

- **Household Income:** total net from cocoa, crop dependence, sources, total net for entire household
- **Living Income:** Gap to benchmark, Gap as % of benchmark, proportion of HH below benchmark
- **GAPs:** Adoption of good agricultural practices (especially pruning) and Agroforestry
- **Child Labour:** prevalence, severity, school enrolment, children well-being
- **Women's empowerment:** involvement in decision making, access to finance, group membership
- **Reinvestment** of incentives in productive means



Contact

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KIT Royal
Tropical
Institute

Group 2 - Transparency systems to Enable living income programs, Case of TRACE



Cerianne Bury,
Trabocca Coffee



Isa Miralles,
Fairfood / ALIGN
platform



Lauren Murphy,
ICRW

This session will address innovations in supply chain data and transparency through practical cases. We will learn from the case of the TRACE system developed by Fairfood and used by multiple companies.



FAIRFOOD

Simon Lévelt

Living Income Coffee Ethiopia, Guji

...

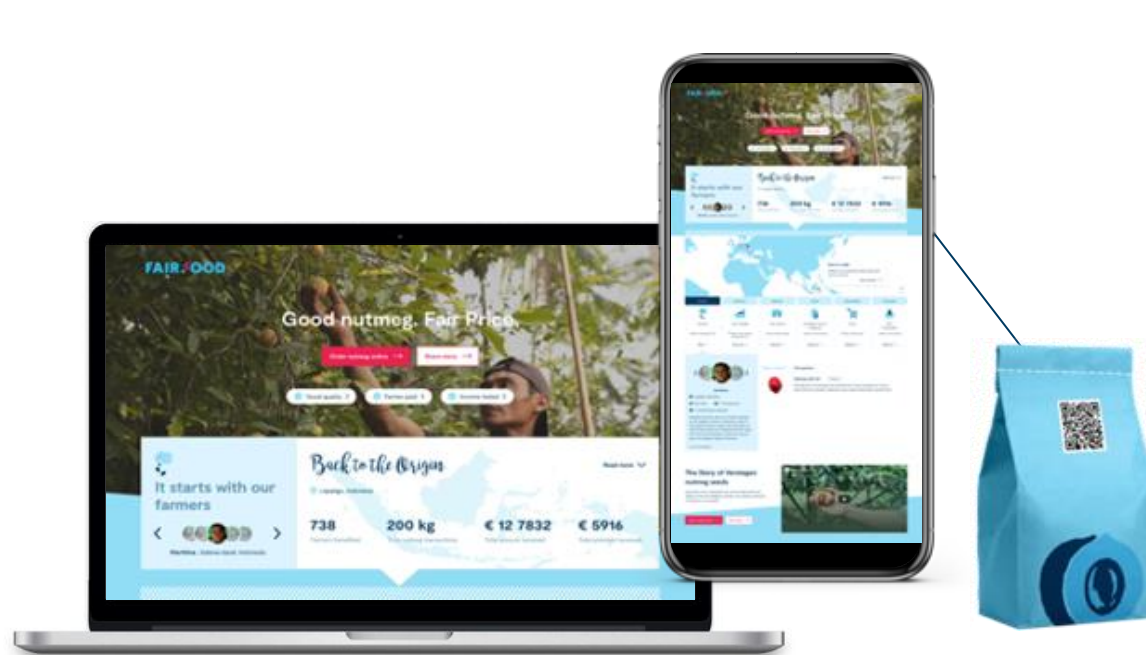


Agenda

- 1 Introduction Fairfood
- 2 Trace
- 3 Introduction Trabocca & Living Income Coffee Project
- 4 Learnings and roadblocks
- 5 Next steps



FAIRFOOD



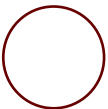
TRACE



ALIGN

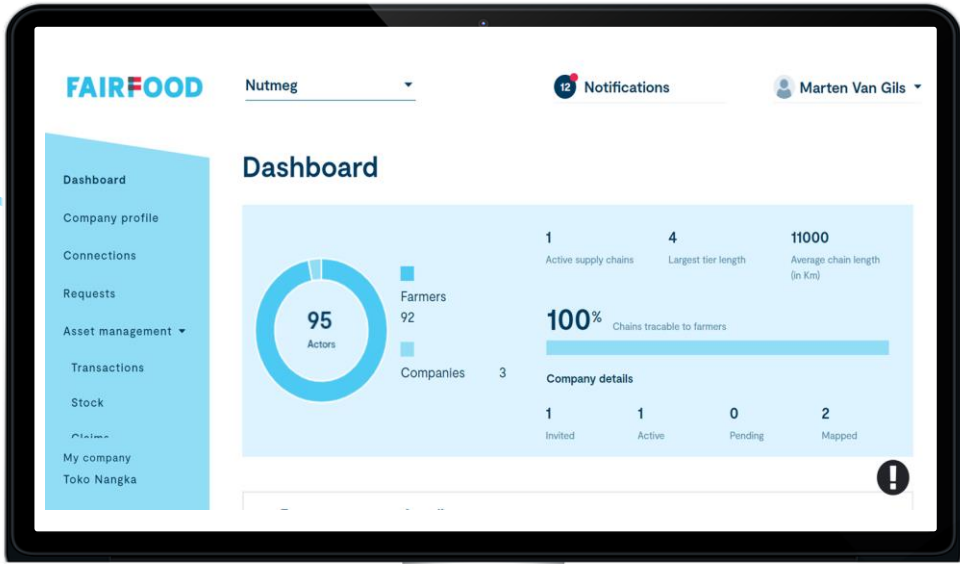
Fairfood work



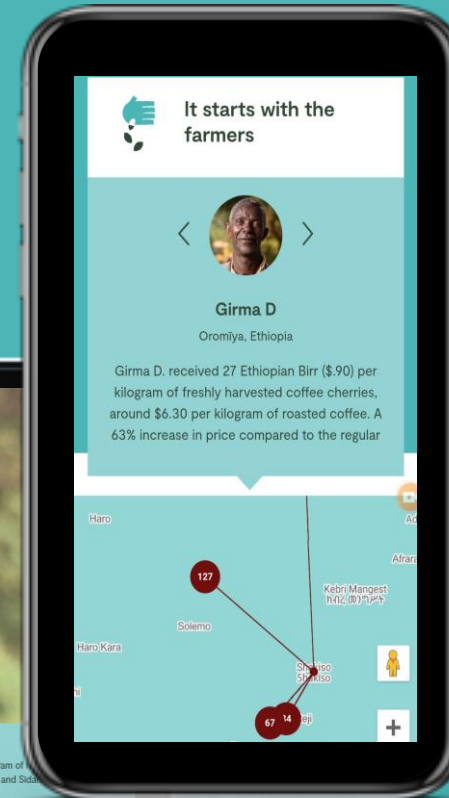
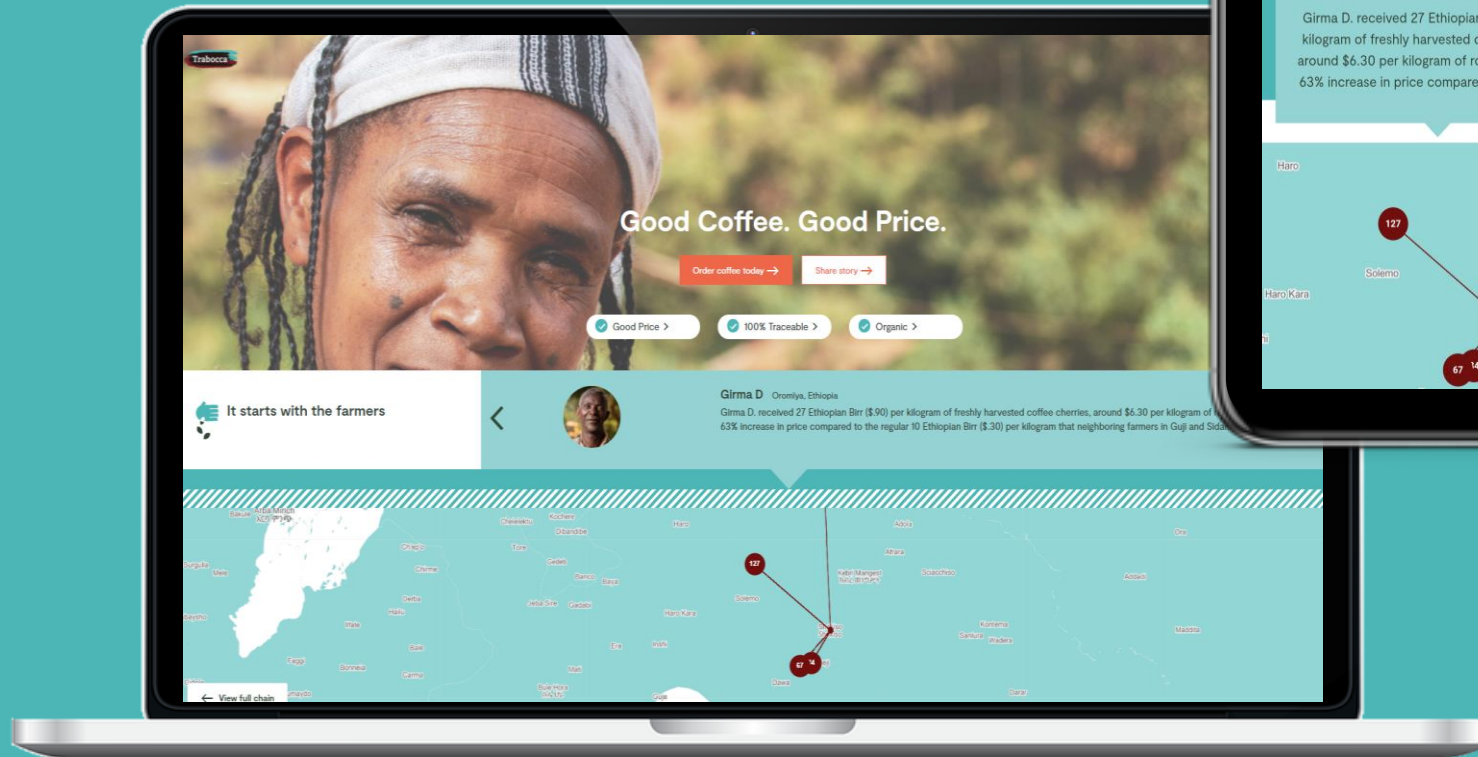


2

Trace



Trabocca Trace



Trabocca

FAIRFOOD

Good price: Proof of payment



Good Coffee. Good Price.

[Order coffee today →](#) [Share story →](#)

✓ Good Price > ✓ 100% Traceable > ✓ Organic >

Good Price

Our outgrowers received 27 Ethiopian Birr (\$0.90) per kilogram for their coffee cherries. This translates into \$6.30 per kilogram of roasted coffee going directly into the farmers' pockets.

[View evidence →](#) [View blockchain transaction →](#)



Blockchain information

Parchment coffee

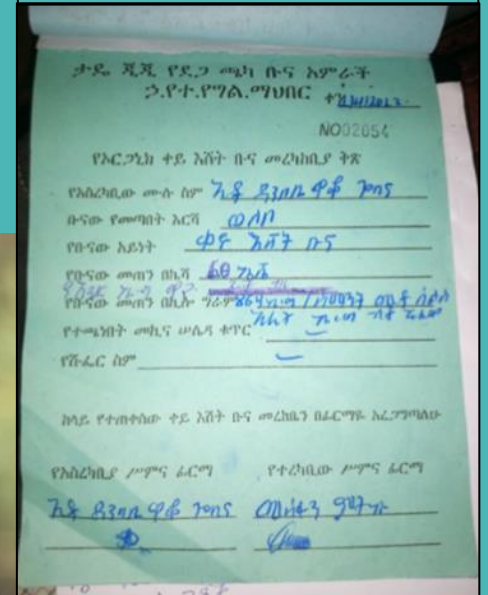
23040 Kg 04 February 2020

Transaction Hash

[kiok3W6wuCfCT2NhmHL...](#)

Additional information

Outgrower receipt



FAIRFOOD

Trabocca

Trabocca is committed to becoming the most reliable and efficient green coffee trader for our suppliers and customers, while contributing to thriving coffee communities

“We have over 22 years of intensive experience and knowledge at origin. We feel a responsibility to continue improving and adding value to our supply chains in the broadest way.” Menno Simons - Founder and Managing Director

- 13 origins
- 60-70% Ethiopia
- 55 suppliers
- 42.5% sustainably certified product
- 7 active social projects

The logo features the word "Trabocca" in a white, bold, sans-serif font. It is centered within a dark, textured brushstroke that has a reddish-brown hue. The background of the slide is a solid teal color.

Trabocca

Joining forces for living income coffee

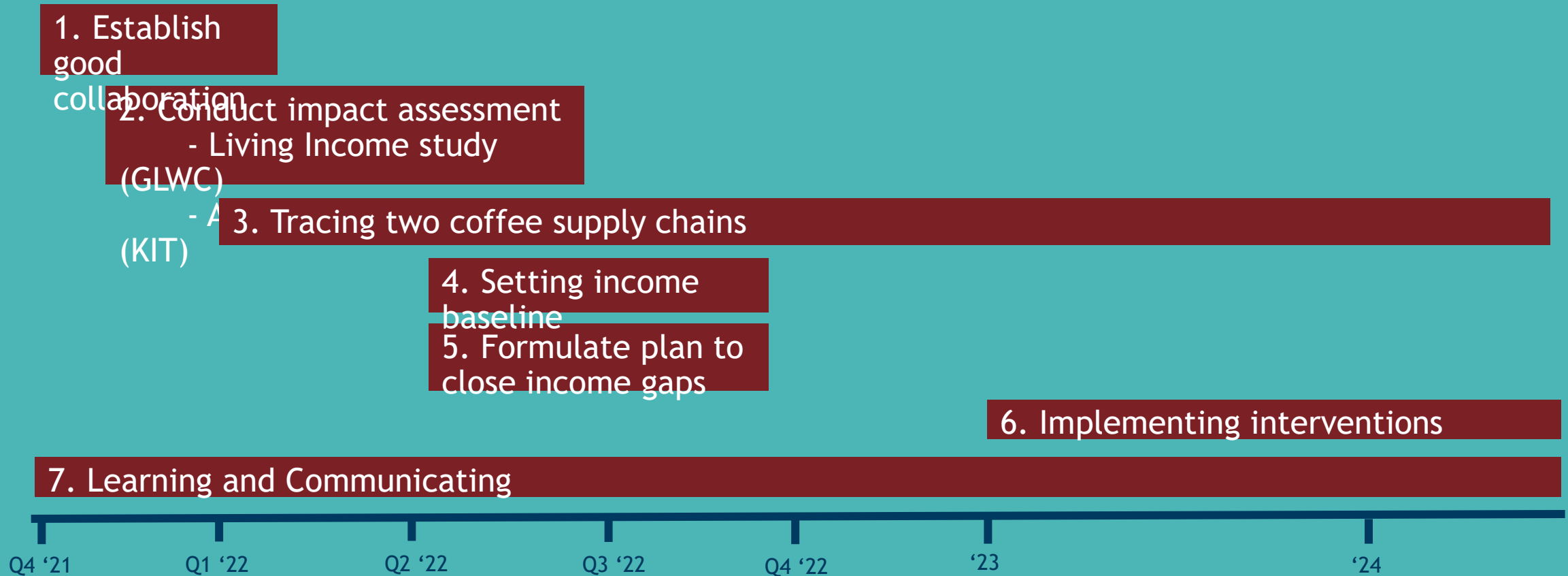


Project context

- 2 supply chains in the Guji region of Ethiopia
- 383 farmers, organically certified
- Relatively large farms, with relatively young trees
- Coffee is main source of income
- High production cost/low yield



Project Journey



Learnings and roadblocks

- Instability in the region
- The pandemic
- Participation of farmers
- Collection of data
- Lack of technology and access to internet (no cellphones, no bank accounts)
- How to prove living income for an individual, while respecting their privacy online
- Inflation and its impact on the cost of living study
- Some types of farmers are doing well and others are not
- How to communicate all of it



The future...

The pursuit of
Specialty coffee starts
here

Trabocca

FAIRFOOD

Simon Lévelt

Thank you!



Isa Miralles
isa@fairfood.org

Cerianne Bury
cerianne.bury@trabocca.com

Group 3 - Data Governance & Ownership



Sylvia Calfat,
Committee on
Sustainable
Assessment (COSA)



Pavi Ram,
Tony's Chocolonely

In this session we will explore the building blocks to an equitable data system, the importance to a living income approach and scaling efforts to reach more farmers, with a focus on the coffee and cocoa sectors.

Living Income Locally

Why National Institutions should take a leading role and how

Most development data:

- ❑ Is costly to update
- ❑ Takes months or more
- ❑ Flows s l o w l y
- ❑ Represents limited population or project samples
- ❑ Is designed and delivered top-down

What if development data:

- ❑ Cost very little
- ❑ Is regularly and consistently updated
- ❑ Flows openly from public repositories
- ❑ Represents an entire population
- ❑ Is bottom up, with beneficiaries at the center

In collaboration with



we are piloting new data programs with national institutions to put those institutions at the center of critical data to better and more inclusively inform efforts such as

**Cost of
production**



All key elements that
contribute to a
sustainable production

**Value Chain
Efficiency**



The value of each key
stage from the farm
gate to FOB/ FOT

**Living
Income**



Elements to calculate
Living Income gaps &
critical sector data

**Data-based
Policy**



Informed data-based
insights across diverse
issues

Steps to a world-class data process



1

Advance world-class data standards

International Technical Advisory Panel



2

Adapt and Train with local institutions



Regional Bodies Engaged - Supporting

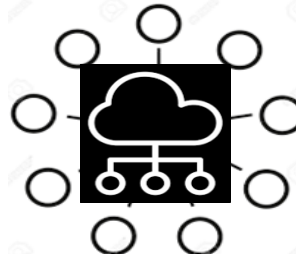
3

Gather data from farmers



5

Analyzed data informs farmers directly



4

Connected data platform auto-analytics

6



Engage Industry Informed & informing

7

Effective Policies
Institutions informed for data-based policy

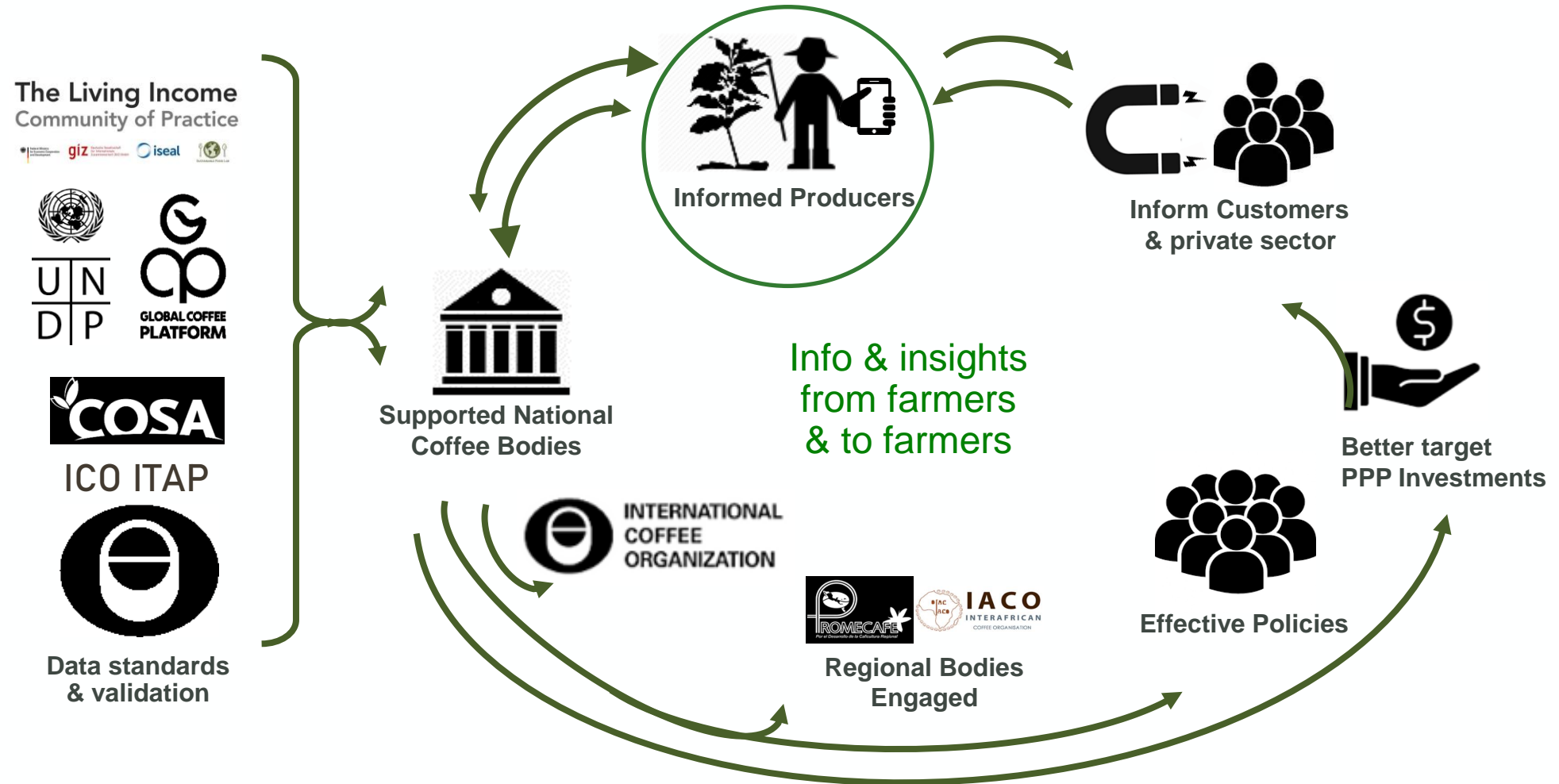


INTERNATIONAL COFFEE ORGANIZATION

8

Institutions share data (aggregate) with ICO

Optimized data flows benefit everyone





↪ **crazy about chocolate,
serious about people**

unequally divided



TONY'S CREATES AWARENESS

**TONY'S LEADS BY
EXAMPLE**

**TONY'S INSPIRES
TO ACT**





**TRACE-
ABLE
BEANS**



**A
HIGHER
PRICE**



**STRONG
FARMERS**

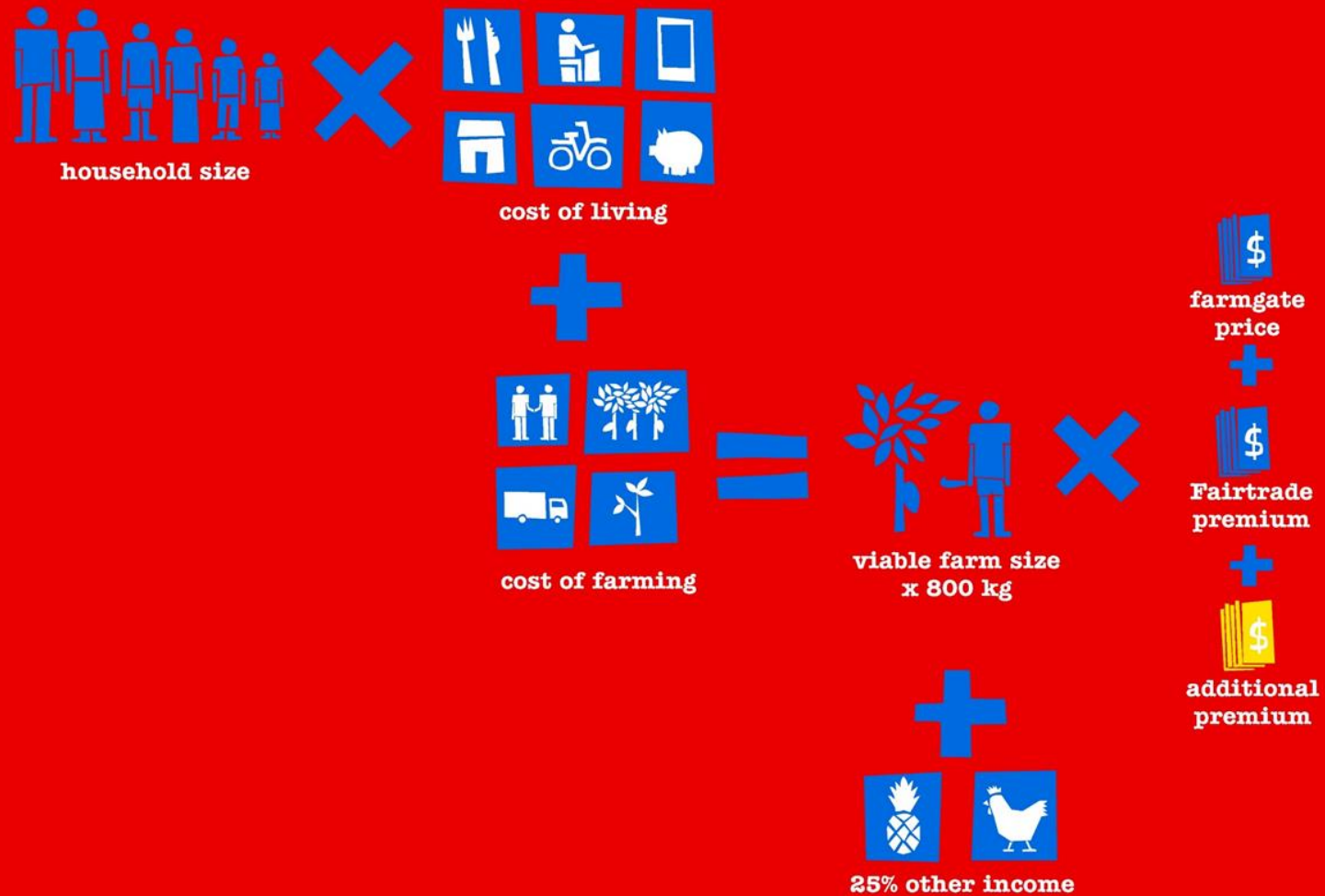


**THE LONG
TERM**



**QUALITY AND
PRODUCTIVITY**

living income model



Operational
traceability

CLMRS

Polygons



TRACE-
ABLE
BEANS



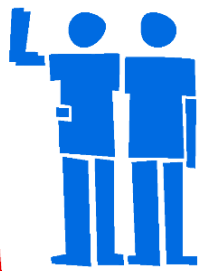
A
HIGHER
PRICE

Premiums

HH research

HH income

Non-cocoa
income



STRONG
FARMERS



THE LONG
TERM



#labour brigades

Yield/ha

Cost of farming

Membership
registry

Co-op
management
premium



Own programs
Own data
Benefit from data
Competitive advantage



QUALITY AND
PRODUCTIVITY

The clouds and the silver linings

...challenges and best practices (from insights from Tony's long-term partner cooperatives)

- Data fatigue
 - Many sustainability programs running in parallel
 - Many systems in place
- Who owns the data
- Who uses the data

Cooperatives own the implementation of programs

Cooperatives own the data (processes and results)

Cooperatives understand the value of data

Data to insights- for day-to-day program implementation (e.g. production capacity)

Future-proofing cooperatives (in the light of upcoming legislation)

Long-term partnerships
Sector solutions?



done!



What Next?



Federal Ministry
for Economic Cooperation
and Development



Deutsche Gesellschaft
für internationale
Zusammenarbeit (GIZ) GmbH



SUSTAINABLE FOOD LAB

Upcoming LICOP webinar themes

■ Check out latest
webinars: LICOP website >
Engagement

■ [https://www.living-
income.com/engagement](https://www.living-income.com/engagement)

July

**Tools to enable the
calculation of LI Price and the
LI gap**

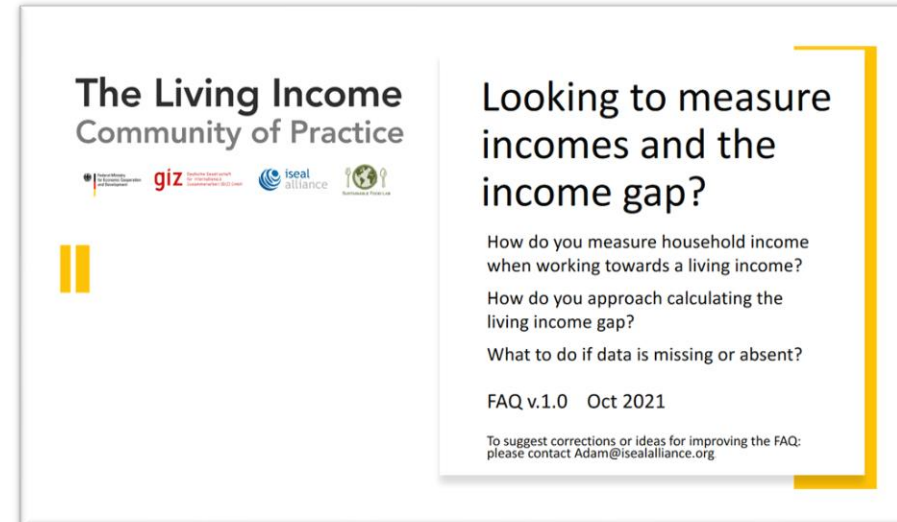
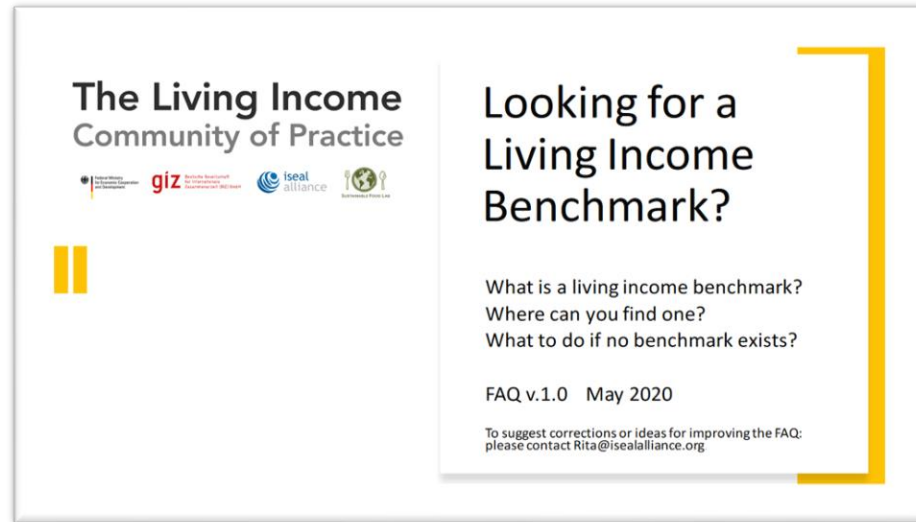
August

Climate & Living Income

Q4

**Measurement &
Impact Reporting**

LICOP Foundational Resources



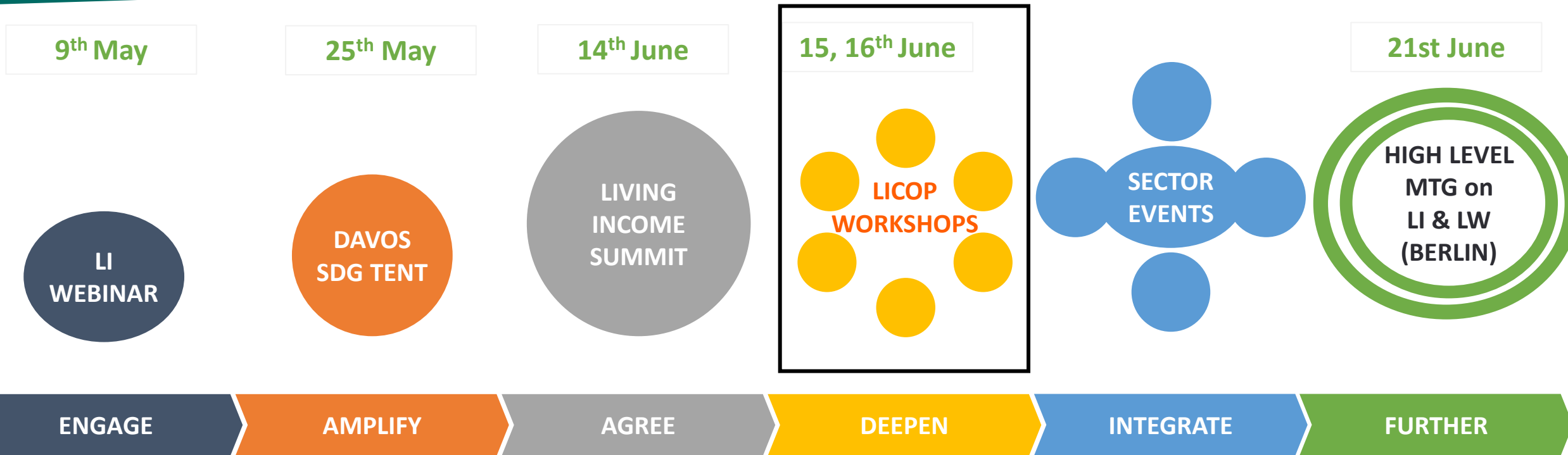
Measurement resources for measuring and reporting on incomes



Company & Government Toolkits to support strategy development.

THE LIVING INCOME CAMPAIGN

Living Income workshops are part of a Living Income Campaign



NEW LICOP website

- **New features:** Search function for all resources
- **New addition:** Resources in multi languages (Spanish/ French).

The screenshot displays the website for 'The Living Income Community of Practice'. The top navigation bar includes links for 'The Concept', 'News & Events', 'Tools & Resources', and 'Who We Are', along with a search icon. Below the navigation bar, there are links for 'TOOLS & RESOURCES' and 'PUBLICATIONS'. The main section is titled 'PAPERS AND REPORTS' and features a filter bar with categories: 'TYPE', 'SECTOR', 'USE', 'ACTOR', and 'LEVEL OF ENGAGEMENT'. Three resource cards are visible:

- Looking to measure Living Incomes and the Income Gap?**
A FAQ document by Jildemarie Brouwer, Dr. Lewison Chiwaula, Jessi Grillo et. al. It addresses how to measure household income when working towards a living income, how to approach calculating the living income gap, and what to do if data is missing or absent. It is dated Oct 2023 and is a PDF.
- practitioner's guide**
A practitioner's guide and framework for selecting an appropriate approach to income measurement. It is version 1.0, authored by ISEAL, and dated March 2022. It is a PDF.
- income measurement toolkits**
This document supplements the 'income measurement practitioners guide' V1.0. It is authored by ISEAL and dated March 2022. It is a PDF.

The footer of the website includes logos for the Federal Ministry for Economic Cooperation and Development, giz (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH), iséal, SUSTAINABLE FOOD LAB, and TAINABLE FOOD LAB.

New Tools & Guidance's

- Some upcoming tools & guidance's from our partners

ALIGN

Updated Database of
enchmarks now available

<https://align-tool.com/resource-library>



Collaborating for Impact:
Development of a
framework of action

<https://www.idhsustainabletrade.com/news/living-income-summit/>

Share in Chatbox!
What are you working on?



Living Income Gap
estimator & Pricing Tool

Thank you!

The Living Income Community of Practice



Federal Ministry
for Economic Cooperation
and Development



Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



iseal
alliance



SUSTAINABLE FOOD LAB